

Minutes

Seattle City Employees' Retirement System Regular Board Meeting

Thursday, March 2, 2006 - 9:00 a.m.
Pacific Building, 10th Floor

Present: Richard McIver, Dwight Dively, Norma McKinney, Lou Walter, Paul Berry and Mary Norris.

Absent: Frank Mathews.

Also Present: Ken Leask – ARSCE, Bill Farrell – ARSCE, Jim Coover – ARSCE, Tim Rutledge – Wurts & Associates, Mike Monaco – Song Mondress, Norm Ruggles and Mel Robertson.

Public Comment: Jim Coover invited the Board to attend the upcoming ARSCE luncheon. He also commended the Board on reaching the 90% funding level, as did Ken Leask. Lou thanked Jim for the invitation.

Minutes:

Upon motion by Dwight Dively, seconded by Norma McKinney, the Retirement Board approved the minutes from the February 2, 2006 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, Other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 5,957,914.78
Beneficiary	674,894.12
Disability	62,214.93
Pension Payroll – March 2006	\$ 6,695,023.83
Office Payroll - pay period ending January 24, 2006	\$ 26,814.80
Office Payroll - pay period ending February 7, 2006	\$ 25,862.92
Vouchers Processed - from January 27, 2006 through February 22, 2006	\$ 854,929.24
* \$ 787,471.94 Expert and Consultant Services	

Immediate Withdrawal of Contributions:

<u>Member</u>	<u>Department</u>	<u>Position</u>
Bellio, Rena	City Light	Laborer
Boyd, Molly L.	Parks	Lifeguard Sr
Brevik, David P	Seattle Center	Stage Hand
Darragh, Shaun P	City Light	Energy Analyst
Dart, Emily M	Seattle Center	Marketing Dev Coord
Davenport, Paul H	Parks	Laborer
Domingo, Michael M	Parks	Rec Coordinator
Dunkak, Paul Brettman	City Light	Meter Reader
Earnest, Rebecca Cochran	Law	Asst City Attorney
Hodge, Karen L.	City Light	Admin Spec I
James-Watson, Ginger	Fire	Human Services
Michels, Janice	Police	Social worker
Moore, Kristin Rochelle	DPD	Public Relations Spec

Nordeng,Ruth J.	DHHS	Program Aide
Park,Dabbie L	City Light	Admin Spec II
Peters,Jefri Ellen	Parks	Assoc Coord
Schlaht,Clyde D	City Light	Lineworker
Silva,Aimee L	Muni Court	Court Clerk
Tavern,Amy E	Library	Library Assoc I
Tiemeyer,Jon M	Parks	Laborer
Valenzuela, Andrew P.	City Light	Lineworker Pre-Aprn
Vao, Fakaola	Seattle Center	Janitor
Zachary,Pamela K.	SPU	Associate Civil Eng
Zeng,Mellisa L	TES	Library Associate

Upon motion by Dwight Dively, seconded by Mary Norris, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Allen,Gerald	1/14/2006	32	321	SPU	Strat Advsr 2	62	B
Apellanes,Ernesto C	2/8/2006	25	248	SEATRAN	Civil Eng Spec	62	B
Baker,Janet D	2/8/2006	20	64	ESD	Accounting Tech II	62	A,G-50
Belleza,Filipina P.	2/8/2006	32	278	SPU	Accountant, Principal	62	C20,G-50
Combs,Jerry Joe	1/25/2006	12	273	City Light	Info Tech	57	C10,F,G-50
Dodge,Norman E	1/18/2006	41	284	City Light	Electrical Eng Spec Super	65	E
Duffey,Charles	1/25/2006	20	156	Muni Courts	Magistrate	58	C5
Harper,Wanda G	2/4/2006	5	290	Human Services	Counselor	65	D,G-50
Headings,Alice E	1/17/2006	14	41	K.C. Health	Dental Assistant	70	S
Hoovler,Cecile	2/2/2006	10	16	City Light	Admin Spec II	58	A
Kurosu,Andrea M	2/8/2006	11	14	Police	Parking Enforcement Officer	59	E
Malmberg,Gary C	2/8/2006	24	269	Fleets	Mechanic	65	C10
Matthews,Stanley	2/8/2006	11	88	Fleets	Janitor	64	S
McCreight,Michael	12/14/2005	22	249	Muni Courts	Court Clerk	58	Active Dth
McNeil,Deborah W	1/12/2006	13	120	Vested	Vested	57	E
Rankin,Elizabeth A	1/11/2006	21	65	SEATRAN	CSPI & Mgr 2	58	S
Smith,Carroll P	1/25/2006	19	206	SEATRAN	Capital Proj Coord Assoc.	57	C5
Swanson,Jerry L.	2/8/2006	35	253	City Light	Planning & Eng Mgr 3	62	E,G-50
Tong,Francis W	1/25/2006	27	299	City Light	Manager 3	56	C20
Ward,Joanne	2/4/2006	27	222	City Light	Elec/Con Crew Coord	65	E
Wyatt,Rochelle	2/3/2006	26	217	DoIT	Manager 2	53	C5

Upon motion by Dwight Dively, seconded by Norma McKinney, the Retirement Board approved the service retirements listed above, pending final review.

Last month 45 members withdrew or retired, and 48 new members entered the System.

Ratification of Investment Transactions and Statement of Securities and Cash:

Norm reviewed the funding ratio along with monthly and year-to-date performance numbers on the Investment Summary report for January 2006. Mel highlighted items in the Investment Summary report and commented on likely investment results in February.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

The Investment Committee is scheduled to meet at noon on Thursday, March 30, 2006 in the Retirement Office.

Mel reported on the Investment Committee meeting held February 23, 2006. The Committee heard a presentation by Quellos and is recommending the Board approve a \$10 million investment in the Quellos Co-Investment Fund, L.P. Quellos is raising capital for this fund that has both equity and debt characteristics. Mel provided a handout summarizing the investment. When called, funds from the Quellos Strategic Partners I Fund will be drawn down to cover this proposed \$10 million investment.

Upon motion by Dwight Dively, seconded by Lou Walter, the Retirement Board voted unanimously to accept the Investment Committee recommendation to invest \$10 million in the Quellos Co-Investment Fund, L.P., to be funded as explained by Mel.

Paul Berry joined the meeting at 9:20 a.m.

Norm introduced Tim Rutledge from Wurts & Associates. At the February 23, 2006 meeting of the Investment Committee and the Advisory Committee, Tim gave a report on the 2005 investment performance of the Retirement Fund. Tim handed out to the Board and reviewed an executive summary that included asset allocation information and investment performance results. In 2005, we had a total fund investment return of 8.1%, which compares very favorably to our objectives and to other institutional investors.

Executive Director Report:

Norm reported that we have received a determination letter from the Internal Revenue Service approving the amendments that have been made to the Retirement Plan since our last IRS determination letter. The letter assures that we continue to have a Qualified Plan.

Norm handed out copies of letters that were mailed to the office in response to our letter regarding the stability of the Fund. Most members expressed their appreciation. Paul and Mary thanked Norm for sending the letter out.

Old Business:

(1) Status of Benefit Enhancements

The Board was informed that the estimated current funding level of the Retirement Fund is 90.57% as of January 31, 2006.

(2) Disability Committee Rules

Norm told the Board that notice of the hearing today for Disability Rules formalization has been published, as well as posted on our website. Notices were also sent to those on the monthly Board meeting mailing list. No comments were received. Norm said that he met with the Coalition of City Unions and explained the proposed Rules. One revision was suggested at that meeting, which Norm has included in the final set of rules. The Board had a brief discussion.

Upon motion by Paul Berry, seconded by Norma McKinney, the Retirement Board voted unanimously to adopt the Rules and Procedures for Disability Retirement.

New Business:

Mary Norris asked Norm to explain at the next Board meeting the procedures that will be required to implement the COLA increases when the Retirement Fund achieves a 95% funding ratio.

Adjournment

Upon motion by Dwight Dively, seconded by Norma McKinney, the Retirement Board voted to adjourn the meeting at 9:48 a.m.

Norma McKinney, Secretary